

Message Text

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PAGE 01 STATE 115631

61

ORIGIN AGR-20

INFO OCT-01 EUR-25 EA-11 ADP-00 EB-11 COME-00 AID-20

CIAE-00 INR-10 NSAE-00 RSC-01 NSC-10 CIEP-02 TRSE-00

SS-15 STR-08 OMB-01 CEA-02 FRB-02 XMB-07 OPIC-12

LAB-06 SIL-01 L-03 PA-03 PRS-01 USIA-12 /184 R

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DRAFTED BY: USDA/ RSVEC 6/13/73

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EA/ PRCM: MR. METSON (SUB)

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R 141526 Z JUN 73

FM SECSTATE WASHDC

TO USLO PEKING

INFO AMCONSUL HONG KONG

AMEMBASSY TOKYO

AMEMBASSY TAIPEI

AMEMBASSY OTTAWA

AMEMBASSY CANBERRA

UNCLAS STATE 115631

E. O. 11652: N/ A

TAGS: EAGR, ETRD, CH, US

SUBJECT: PRC GRAIN PURCHASES

1. US DEPARTMENT OF AGRICULTURE MADE FOLLOWING
ANNOUNCEMENT JUNE 8, 1973:

QUOTE GRAIN PURCHASES BY THE PEOPLE' S REPUBLIC OF CHINA:
" WASHINGTON, JUNE 8 -- RECENT REPORTS FROM TRADE SOURCES
INDICATE THAT AGENCIES OF THE PEOPLE' S REPUBLIC OF
CHINA (PRC) ARE SHOWING CONTINUED INTEREST IN FURTHER
QUANTITIES OF U. S. GRAIN, THE U. S. DEPARTMENT OF
AGRICULTURE SAID TODAY. PRIMARY FOCUS HAS APPARENTLY
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PAGE 02 STATE 115631

NOW SHIFTED TO DELIVERIES FOR THE COMING 1973/74 SEASON.

FIRM COMMITMENTS FOR PRC GRAIN IMPORTS IN 1973/74
THUS FAR INCLUDE ABOUT 1.5 MILLION TONS OF WHEAT UNDER
CONTRACTS WITH CANADA AND AUSTRALIA WHICH WERE SIGNED
IN LATE 1972 BUT COVERED SHIPMENTS AFTER THE END OF
THE 1972/73 MARKETING YEAR, ENDING THIS JUNE 30.

IN ADDITION TO THESE COMMITMENTS, PRC OFFICIALS
HAVE RECENTLY ENTERTAINED OFFERS FOR BOTH WHEAT AND
COARSE GRAINS FROM OTHER ORIGINS, INCLUDING THE
UNITED STATES. REPORTEDLY, OFFERS COVERING SIZEABLE
QUANTITIES FOR 1973/74 DELIVERY HAVE ALREADY BEEN
ACCEPTED. WHILE COUNTRY OF ORIGIN IS PROBABLY LEFT
TO THE OPTION OF THE SELLER, AVAILABLE INFORMATION
INDICATES SOMETHING IN EXCESS OF 2 1/2 MILLION
METRIC TONS OF US WHEAT AND 1 MILLION METRIC TONS
OF U. S. CORN WILL BE SHIPPED TO THE PRC AGAINST SUCH
COMMITMENTS.

CONCERNING THE CURRENT PRC CROP SITUATION, IT IS
GENERALLY ACCEPTED THAT THERE HAS BEEN SOME INCREASE
IN WINTER GRAIN AREA. DEFICIENCIES IN SOIL MOISTURE
ARE KNOWN TO HAVE EXISTED IN SOME PRC REGIONS THIS
PAST SPRING, BUT RAINFALL HAS IMPROVED THE SITUATION IN
RECENT WEEKS. THE AUTUMN- HARVESTED GRAIN CROPS,
CONSISTING HEAVILY OF RICE AND COARSE GRAINS, COMPRISE
ABOUT TWO- THIRDS OF TOTAL PRC GRAIN OUTPUT; MUCH WILL
THEREFORE STILL DEPEND UPON CONDITIONS FOR THESE CROPS
IN COMING MONTHS, ESPECIALLY IN NORTH CHINA.

IN THE CURRENT 1972/73 SEASON, THE PRC IS
IMPORTING A TOTAL OF ABOUT 5.5 TO 6.0 MILLION METRIC
TONS OF GRAIN, INCLUDING ALMOST 4 MILLION TONS OF WHEAT
FROM CANADA, AT LEAST 1.2 MILLION TONS OF WHEAT AND
CORN FROM THE US, WITH THE BALANCE, MOSTLY WHEAT FROM
AUSTRALIA. LARGER PRC IMPORTS OF U. S. GRAIN IN 1973/74
COULD BE DUE TO LARGER ANTICIPATED TOTAL IMPORT NEEDS
BUT MORE LIKELY MEANS SIMPLY AN INCREASE IN US SHARE
AND REDUCED PRC PURCHASES FROM OTHER COUNTRIES." UNQUOTE
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PAGE 03 STATE 115631

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*** Current Handling Restrictions *** n/a

*** Current Classification *** UNCLASSIFIED

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 14 JUN 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973STATE115631
Document Source: CORE
Document Unique ID: 00
Drafter: USDA/ RSVEC 6/13/73
Enclosure: n/a
Executive Order: n/a
Errors: n/a
Film Number: n/a
From: SECSTATE WASHDC
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730619/aaaajaqo.tel
Line Count: 113
Locator: TEXT ON-LINE
Office: ORIGIN AGRE
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: willialc
Review Comment: n/a
Review Content Flags:
Review Date: 08 AUG 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <08-Aug-2001 by maustmc>; APPROVED <20-Aug-2001 by willialc>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> jms 980206
Subject: PRC GRAIN PURCHASES
TAGS: EAGR, ETRD, CH, US
To: AIT TAIPEI
CANBERRA
HONG KONG
OTTAWA
TOKYO
USLO PEKING
Type: TE

Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005